

**QUARTERLY PROGRESS AND  
FINANCIAL REPORT**

**OCTOBER TO DECEMBER  
2005**

**DEMOCRATIC LOCAL  
GOVERNANCE AND  
DECENTRALIZATION IQC**

Prepared for



Democratic Local Governance and Decentralization Indefinite Quantity Contract  
United States Agency for International Development, DCHA/DG Office  
Contract No. DFD-I-00-05-00129-00

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## INTRODUCTION

The purpose of USAID's Indefinite Quantity Contracts (IQC) for Democratic Local Governance and Decentralization is to provide technical assistance services that contribute to strengthening decentralization/local governance. Two functional activities are included under these contracts: a) decentralization and participatory government and b) public management and administration.

Decentralization and Participatory Government has five objectives: (1) to increase participatory decision-making, transparency, accountability, and responsiveness at all levels of government by working with both state and non-state actors; (2) to increase citizen participation in local and national government decision-making; (3) to assist local governments to serve as counterweights to central state authorities and to participate in policy-making at regional and national levels; (4) to enhance the fiscal adequacy and probity of decentralized democratic governments; and (5) to enable local governments to influence their own destinies by promoting and sustaining local economic development.

Public Management and Administration has the objective of increasing the capacity and performance of all levels of government (with specific focus on sub-national government agencies and elected officials) and NGOs to execute public management functions related to the provision and production of public goods and services.

The table below summarized the task orders that have been awarded under the Democratic Local Governance and Decentralization Indefinite Quantity Contract.

DLG TASK ORDERS	USAID TO	UI NO.	BUDGET	PERIOD OF PERFORMANCE
<b>Current Task Orders</b>				
Pakistan Devolution Support Project	01	001	\$197,662	October 18, 2005-February 28, 2006

## **DEVOLUTION SUPPORT PROJECT IN PAKISTAN**

### **QUARTERLY PROGRESS AND FINANCIAL REPORT**

**OCTOBER TO DECEMBER 2005**

#### **Background**

In October 2005, the United States Agency for International Development (USAID) awarded the first Task Order under this IQC to the Urban Institute (UI) to conduct in-country assessment of the ongoing devolution in Pakistan and to design a three-year project to support devolution. This project will assist in building the capacity of local government units to fulfill their newly mandated responsibilities under the Local Government Ordinance 2001, and will also include institutional strengthening at the district level (especially in relation to delivery of health and education programming), problem identification, and facilitation of discussions between and within appropriate levels of government to address issues that impede resource flows and performance. Further, it will focus on increasing citizen participation in targeted units of local government and on strengthening the ability of civil society (business and trade groups, parents' groups, women's associations, etc.) to participate constructively in the political process.

<b>Contract No.:</b>	DFD-I-00-05-00129-00, Task Order No. 01
<b>Date of Issuance:</b>	October 2005
<b>Key Personnel:</b>	Ritu Nayyar-Stone, Project Manager mayyar@ui.urban.org

#### **Highlights**

- The Urban Institute's team traveled to Pakistan in December 2005 to conduct in-country assessment of devolution
- The Urban Institute's team has begun work on the first drafts of the assessment report and project design

#### **Progress of Major Activities**

- During the period December 522, 2005, UI's team led by Dr. Ritu Nayyar-Stone, Project Manager, traveled to Pakistan to perform in-country assessment of the ongoing devolution process. The team met with USAID/Pakistan, local government officials at the provincial,

district, and tehsil level, and representative of local NGOs, parents' groups, and civil society. The team also visited hospitals and schools and met with medical staff, school principals, and teachers.

- On December 8, UI's team accompanied by Ms. Julie Koehen-Grant and Mr. Saad Paracha from USAID/Pakistan met with Mr. Daniyal Aziz, Chairman of the National Reconstruction Bureau (NRB). NRB's role is to guide the devolution process and to provide support to the Federal Government and Provincial Governments in the implementation of the new Local Government System.
- On December 9, USAID/Pakistan organized a meeting in Islamabad, at which UI's team met with USAID/Pakistan's office directors from different sectors (Health, Education, and Economic Growth) and their staff, and with members of the project implementation teams. The team had the opportunity to gather first-hand information on USAID's current sectoral programming and to learn about the "governance issues" in the sectors (health and education in particular) that impinge on the longer-term sustainability of current efforts and on the programs' effectiveness. Potential linkages of the project that UI has been contracted to design and USAID/Pakistan's sectoral programming that is already underway, as well as coordination with other donors, were among the topics discussed.
- In Islamabad, the team also met with representatives of UNDP, the World Bank, CIDA, and ADB, to learn about their efforts in support of devolution and to explore possibilities for donor coordination.
- In the period December 10-21, UI's team traveled to three of Pakistan's four provinces – The North West Frontier Province (NWFP), Sindh, and Punjab. In each province, the team met with provincial government officials (Secretary – Local Government, Secretary – Education, Secretary – Health), as well as with district officials (Zila Nazims, District Coordination Officers and Executive District Officers) and tehsil municipal administration officials (Tehsil Nazims and their staff). The team also visited health facilities and schools and met with members of School Management Committees/Parent Teacher Association (SMC/PTAs). In Sialkot, the team met with members of the local Chamber of Commerce and in Lahore – with an International Policy Fellow at the Open Society Institute whose research is focused on Citizen Community Boards (CCBs). Table 1 below provides an overview of the team's field visits and meetings.

**Table 1. Field Visits**

Dates	Location	Meetings
Dec. 10, 2005	Mansehra District and Tehsil (NWFP)	District Government (District Nazim, EDO-Health, EDO-Education) Tehsil Municipal Administration (Tehsil Nazim)
Dec. 11-13, 2005	Peshawar (NWFP) Kohat Tehsil (NWFP)	Provincial Government –NWFP Tehsil Municipal Administration Visits to a boys' school and a hospital
Dec. 14, 2005	Thatta District and Tehsil (Sindh)	District Government (District Nazim, EDO-Health, EDO-Education, EDO-Finance) Tehsil Municipal Administration School Management Committee/Parent-Teacher Association
Dec. 16-18, 2005	Karachi (Sindh)	Provincial Government – Sindh
Dec. 19, 2005	Sialkot District and Tehsil (Sindh)	District Government (District Nazim, EDO-Finance, EDO-Works & Services, EDO-Education, EDO-Health, EDO-Community Development) Sialkot Chamber of Commerce Tehsil Municipal Administration (Tehsil Nazim, TO-Regulations, TO-Finance)
Dec. 20, 2005	Lahore (Punjab)	Provincial Government – Punjab City District Government (Lahore City Nazim) Visits to a girls' school and a rural health center School Management Committee/Parent-Teacher Association

- On December 21, UI's team held a de-briefing for USAID/Pakistan in Islamabad and presented a preliminary assessment of the devolution process, highlighting both problems that impede the progress of devolution and success stories from the field. The team also presented initial thoughts on remedial actions and on the emerging project design.

### **Deliverables and Reports**

No deliverables and reports were due during the reporting period. The team has begun working on the Devolution Assessment Report and plans to submit a draft to USAID/Pakistan for review and comments by January 22, 2006.

### **Problems or Delays Affecting the Task Order Performance**

UI's team had initially planned to travel to Pakistan in November 2005 to perform in-country assessment of the ongoing devolution process. The trip had to be postponed until December 2005 because of the earthquake. In November, the team performed a thorough review of pertinent documents on Pakistan's devolution effort and on USAID/Pakistan's programming in health, education, water, and economic growth.

### **Work Planned for the Next Reporting Period**

- During the next reporting period, Dr. George Peterson will travel to Pakistan to meet with USAID/Pakistan's office directors and their staff, implementing partners and other donors in order to prepare recommendations on the topic of donor coordination.
- On January 30, 2006, Dr. Ritu Nayyar-Stone and Dr. Peterson will meet with USAID/Pakistan in Islamabad to discuss the draft assessment report and project design.
- On February 28, 2006, UI's team will submit the final draft of the assessment report and project design to USAID/Pakistan.

### **Specific Action Requested**

None at this time



## **ATTACHMENT**

### **FINANCIAL REPORT**